

Message Text

SECRET

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ACTION SS-25

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FM AMEMBASSY AMMAN

TO SECSTATE WASHDC IMMEDIATE 7051

INFO AMEMBASSY JIDDA IMMEDIATE

S E C R E T AMMAN 1001

EXDIS

DEPARTMENT PLEASE PASS SECDEF AND USCINCEUR

FOR UNDERSECRETARY SISCO AND ATHERTON FROM AMBASSADOR

E.O. 11652: GDS

TAGS: MASS JO, US, SA

SUBJECT: HAWK/VULCAN FINANCING

REF: STATE 043439

1. WE APPRECIATE THE APPROACH TO THE SAUDIS (REFTEL). BEFORE WE GIVE JORDANIANS INFORMATION PARA 4 REFTTEL, WE WISH TO BE SURE OF EXACTLY WHAT DEPARTMENT HAS IN MIND. TELLING THE JORDANIANS INFORMATION THAT ON FEB 29 LOA RPT LOA WOULD BE CANCELLED AND WOULD HAVE TO BE RESUBMITTED TO CONGRESS WILL COME AS EVEN MORE OF A BOMBSHELL THAN LAST MONTH'S "ULTIMATUM," I.E., THAT PAYMENT WAS DUE IN TWO DAYS OR "CONTRACTS" WOULD BE CANCELLED.

2. HOWEVER WE WONDER WHY LETTER OF OFFER ITSELF HAS TO BE "CANCELLED" AND THEN, IF REVIVED, "RESUBMITTED" TO CONGRESS AGAIN JUST BECAUSE WE ARE CANCELLING THE CONTRACTS. WE REALIZE THAT IN CANCELLING THE CONTRACTS, LETTER OF OFFER WOULD HAVE TO BE RENEGOTIATED TO INCLUDE NEW PRICES. HOWEVER, WHY CANNOT PRESENT LETTER OF OFFER BE KEPT IN FORCE, BUT CONTINUE SUBJECT TO LATER

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AMEDNMENT ON PRICE AND SO FORTH. THE HAWK CASE WILL

NOT BE A NEW CASE FOR CONGRESS. THE "NON-OBJECTION PROCESS" OF THE NELSON AMENDMENT HAS BEEN GONE THROUGH FOR THE SALE AND IT WOULD SEEM TO US CLEARLY THAT WE HAVE MET THE SPIRIT OR THE INTENT OF CONGRESS. ANOTHER WAY OF LOOKING AT IT WOULD BE TO ASK WHETHER, BECAUSE OF ESSENTIALLY TECHNICAL CHANGES IN THE LETTER OF OFFER -- NEW DEADLINES, NEW PRICES, NEW DELIVERY SCHEDULES (LATER IN TIME) -- WE HAVE TO LET CONGRESS HAVE ANOTHER OPPORTUNITY TO REVIEW THE SALE OF THE SAME 14 HAWK BATTERIES TO JORDAN. INDEED ORIGINAL LOA WAS ONLY "NOTIFIED" TO CONGRESS, NOT SHOWN TO THEM. CHANGES WERE MADE IN IT SUBSEQUENT TO CONGRESSIONAL "NON-OBJECTION" UNDER SECTION 6 (B) OF FMSA. WE FAIL TO SEE WHY IT CANNOT BE KEPT IN FORCE AND ADDITIONAL PRICE, ETC. CHANGES MADE LATER AS A RESULT OF CONTRACT CANCELLATION.

3. WE NOW SEEM TO BE SAYING TO THE JORDANIANS THAT WE HAVE ENTERED INTO CONTRACTS ON THEIR BEHALF WITHOUT THEIR SPECIFIC PERMISSION TO DO SO (ALBEIT IMPLIED BY LOA SIGNING). WE HAVE DONE SO AGAINST A BACKGROUND OF OUR CONSTANTLY REPEATING TO THEM THAT WE COULD NOT CONTRACT WITHOUT FUNDS. THEY ARE NOW TO BE TOLD THAT THE CONTRACTS ARE TO BE CANCELLED. AS A RESULT OF THIS TECHNICAL PROCESS, THE COMPLETE AUTHORIZATION AND AGREEMENT FOR SALE IS TO BE SIMILARLY CANCELLED AND MUST BE RESUBMITTED FOR ANOTHER ROUND OF CONGRESSIONAL AGONY IF IT IS TO BE RESURRECTED.

4. WE DOUBT THAT SUCH A STATEMENT ON CANCELLATION OF THE LOA AND ITS RESUBMISSION TO CONGRESS WOULD HAVE ANY REAL BENEFICIAL SIDE EFFECT OF ENERGIZING THE JORDANIANS ONCE MORE TO CHARGE THE SAUDI STRONGBOX. THEY ALREADY FEEL THEY HAVE DONE THE MAXIMUM. INDEED THE MAJOR AND OVERWHELMING REACTION WILL BE ONE OF ASTONISHMENT THAT WE OURSELVES AND THEY WOULD WANT TO RERUN LAST SUMMER AND FALL'S AGONY WITH THE CONGRESS AND HAND THE ISRAELI LOBBY ANOTHER GOLDEN OPPORTUNITY TO KILL THE HAWK DEAL. IF WE HAD BEEN GIVEN THIS INFORMATION TWO WEEKS AGO, IT MIGHT JUST HAVE HELPED WITH THE SAUDIS, BUT CERTAINLY NOT WITH JORDAN.

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5. I WOULD LIKE TO REQUEST THAT IMMEDIATE RECONSIDERATION BE GIVEN TO TAKING A MORE CONSTRUCTIVE LEGAL POSITION WHICH WILL FIND A WAY THROUGH THIS SELF-ERECTED MAZE, WHICH SEEMS TO US FROM HERE TO LEAD ONLY TO MORE TROUBLE OR STAGNATION. (WE ARE UNABLE TO LOCATE SECTION FMS ACT PERTINENT TO LOA CANCELLATION AND ALSO REQUEST DEPARTMENT CABLE US THAT SECTION.)

6. REQUEST YOUR URGENT CONSIDERATION.
PICKERING

NOTE BY OC/T: NOT PASSED SECDEF, USCINCEUR.

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NNN

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